

ORDINANCE No. 118321

COUNCIL BILL No. 111470

Law Department

The City of Seattle--

INDEXED

REPORT OF COM

Honorable President:

Your Commission Labor & Personnel

to which was referred the within Council Bill No. _____
report that we have considered the same and respectfully recom

COMPROLLER FILE No.

Introduced: SEP 30 1996	By: KRAABEL
Referred: SEP 30 1996	To: Personnel & Labor Policy Committee
Referred:	To:
Referred:	To:
Reported: OCT 14 1996	Second Reading: OCT 14 1996
Third Reading: OCT 14 1996	Signed: OCT 14 1996
Presented to Mayor: OCT 15 1996	Approved: OCT 21 1996
Returned to City Clerk: OCT 23 1996	Published: <i>Full app.</i>
Vetoed by Mayor:	Veto Published:
Passed over Veto:	Veto Sustained:

Oct 4, 1996

Full Council vote 8

Paul Green
Committee

Department

The City of Seattle--Legislative Department

REPORT OF COMMITTEE

Date Reported
and Adopted

Honorable President:

Our Committee on

Labor & Personnel

which was referred the within Council Bill No.

Report that we have considered the same and respectfully recommend that the s:

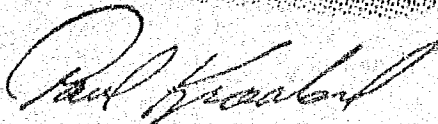
Oct 4, 1996

3-0

Do Pass

PK, JM + JD

Full Commit vote 8-0



Committee Chair

ORDINANCE 118321

AN ORDINANCE amending Seattle Municipal Code Chapter 4.100 to authorize the City of Seattle as a condition of employment, to enter into salary reduction agreements with employees pursuant to Internal Revenue Code, 26 U.S.C. Sections 125 and 129, for purposes including but not limited to a dependent care assistance program.

WHEREAS, S.M.C. Chapter 4.100 authorizes salary reduction agreements between the City of Seattle and its employees; and

WHEREAS, Internal Revenue Code, 26 U.S.C. Sections 125 and 129 allow employees to select benefits on a "before tax basis" for purposes other than dependent care assistance; and

WHEREAS, expanding the existing program provides the opportunity for federal income tax savings to both employees and the City; Now therefore,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. S.M.C. Chapter 4.100 is amended as follows:

~~4.100 Dependent Care Assistance Program-Salary Reduction Agreements~~

4.100.010 Salary Reduction Agreements for dependent care assistance and other eligible expenses.

The City of Seattle, as a condition of employment, may enter into salary reduction agreements with employees pursuant to the Internal Revenue Code, 26 U.S.C. Sections 125 and 129, for the purpose of making it possible for employees to select on a "before-tax basis" certain taxable and nontaxable benefits. The Mayor is authorized for and on behalf of the City to execute an agreement or agreements with labor organizations representing City employees to the extent necessary to implement ~~the program set forth in this section~~ any such program including but not limited to Dependent Care Assistance Program for those City employees represented by local unions for purposes of collective bargaining. The City may at its discretion terminate any such program after prior notice to affected employees and labor organizations representing City employees for purposes of collective bargaining.

4.100.020 Plan, policies and administration

The Personnel Department shall be responsible for developing a plan, policies and procedures to guide, implement, administer and monitor ~~any such salary reduction program authorized in Section 4.100.010 of this chapter, which shall be known as the Dependent Care Assistance Program~~ including but not limited to the Dependent Care Assistance Program.

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

Section 2. This ordinance shall take effect and be in force thirty (30) days from and after its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

PASSED by the City Council of the City of Seattle this 14 day of October, 1996, and signed by me in open session in authentication of its passage this 14 day of October, 1996.

Jan Drago
President of the City Council

Approved by me this 24 day of October, 1996.

Morann B. Line
Mayor

Filed by me this 23 day of October, 1996.

Julith E. F. [Signature]
City

Clerk
(Seal)

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City of Seattle Personnel Department

Norman B. Rice, Mayor

Sarah Welch, Personnel Director



September 13, 1996

TO: Seattle City Council

ATTN: Paul Kraabel, Chair
Personnel and Labor Policy Committee

RECEIVED OMP

SEP 16 1996

VIA: Mayor Norman B. Rice

ATTN: Tom Tierney, Director
Office of Management and Planning

FROM: Sarah Welch
Personnel Director

SUBJECT: Salary Reduction Agreements

Attached for your review and approval is an ordinance amending Seattle Municipal Chapter 4.100 which authorized salary reduction agreements with employees pursuant to Internal Revenue Service Code, Section 125 and 129. The requested modification allows for such plans beyond the Dependent Care Assistance Program currently in place.

This ordinance would authorize the Personnel Department to implement a Section 125 plan for eligible medical expenses, and would permit retirees to set aside 25% of sick leave on a pre-tax basis to purchase continued medical coverage. It would also allow those employees paying a portion of their health care premiums pursuant to collective bargaining agreements, to do so with pre-tax dollars. Employees could set aside monies for other eligible medical expenses, including but not limited to their medical plan deductibles and copayments and prescription costs not covered under their health plan.

In addition to the tax savings for employees, the City is not required to pay FICA taxes on the dollars set aside by employees under such a plan. Under our current Dependent Care Assistance Program, the City saved more than \$50,000 in such taxes in 1995. This ordinance would benefit both the City and its employees, and we urge your approval.

Should you have any questions, please direct them to Sally Fox, Benefits and Safety Manager (684-7957) or Vicki Childs, Benefits Supervisor (684-782). Thank you.

An equal employment opportunity affirmative action employer
12th Floor Dexter Horton Building Telephone Device for the Deaf and
710 Second Avenue the Hearing Impaired (TDD)
Seattle, WA 98104-1793 684-7588
Fax # 684-4157

Printed on Recycled Paper

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Approved by Mayor, Tierney
9/23/96

46-312

City of Seattle

Executive Department—Office of Management and Planning

Thomas M. Tierney, Director
Norman B. Rice, Mayor

September 16, 1996

The Honorable Mark Sidran
City Attorney
City of Seattle

Dear Mr. Sidran:

The Mayor is proposing to the City Council that the enclosed legislation be adopted.

REQUESTING
DEPARTMENT: Personnel Department

SUBJECT: AN ORDINANCE amending Seattle Municipal Code Chapter 4.100 to authorize the City of Seattle as a condition of employment, to enter into salary reduction agreements with employees pursuant to Internal Revenue Code, 26 U.S.C. Sections 125 and 129, for purposes including but not limited to a dependent care assistance program.

Pursuant to the City Council's S.O.P. 100-014, the Executive Department is forwarding this request for legislation to your office for review and drafting.

After reviewing this request and any necessary redrafting of the enclosed legislation, return the legislation to OMP. Any specific questions regarding the legislation can be directed to Sherry Johnson at 684-8084.

Sincerely,

Norman B. Rice
Mayor

by

[Signature]
TOM TIERNEY
Director

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Enclosure

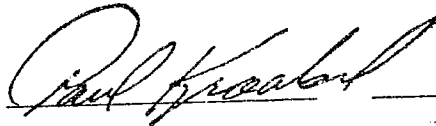


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TIME AND DATE STAMP

SPONSORSHIP

THE ATTACHED DOCUMENT IS SPONSORED FOR FILING WITH THE CITY COUNCIL BY
THE MEMBER(S) OF THE CITY COUNCIL WHOSE SIGNATURE(S) ARE SHOWN BELOW:



FOR CITY COUNCIL PRESIDENT USE ONLY

COMMITTEE(S) REFERRED TO: _____

PRESIDENT'S SIGNATURE

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STATE OF WASHINGTON - KING COUNTY

73735
City of Seattle, City Clerk

—ss.

No. ORDINANCE IN

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:ORD 118321

was published on

11/01/96

The amount of the fee charged for the foregoing publication is the sum of \$, which amount has been paid in full.

Subscribed and sworn to before me on

11/01/96

Notary Public for the State of Washington,
residing in Seattle

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Affidavit of Publication